



CONGRESS OF THE UNITED STATES

# *JOINT ECONOMIC COMMITTEE*

VICE CHAIRMAN JIM SAXTON

---

---

## PRESS RELEASE

---

---

For Immediate Release  
January 4, 2000

Press Release #106-72  
Contact: Christopher Frenze  
(202) 225-3923

### VALUE OF EDUCATION SEEN AS INCREASINGLY IMPORTANT – Education Fosters High Economic and Social Returns –

WASHINGTON, D.C. – Higher levels of education, training and skills create the human capital necessary to significantly raise personal income and national economic growth, according to a new study released today by Vice Chairman Jim Saxton of the Joint Economic Committee. The study, *Investment in Education: Private and Public Returns*, shows that each additional year of education generates an average financial return of about 10 percent annually. The latest figures also indicate that the median income of bachelor degree recipients was \$46,285, nearly \$20,000 higher than the median income for workers with only high school diplomas.

“Over the last two decades the economy has tended to create jobs that require more skills, education, and training,” Saxton said. “Consequently, a student’s investment in education is one of the most critically important decisions he or she will ever make. A good education will open doors to the many great opportunities available in the economy, while a lack of education can lead to a lifetime of underemployment and lower-income jobs.

“While good elementary and high school education provide an essential foundation, a college education has become an increasingly important factor leading to high levels of employment and earnings. The latest figures clearly show a marked difference between those who have completed college and those who have not. Nowadays an advanced education is usually necessary to find a good job and succeed in a well-paid line of work,” said Saxton.

According to the report, the field of study in college was also an important determinant of post-graduate earnings. For example, computer and engineering graduates had starting salaries of over \$32,000 in 1998, 36 percent higher than the middle earnings level for all graduates.

Other conclusions include:

- As workers increase their training and education, they make themselves more valuable to employers, increasing their job stability and decreasing the likelihood of involuntary job loss.
- Increased educational attainment increases the probability that an individual will remain in the labor force. Among male workers in their 30’s, 2.4 percent of college graduates were out of the labor force, compared to 7.9 percent for high school graduates.
- The contribution of increased educational levels to U.S. economic growth in recent decades has been estimated to be as high as one quarter.
- If education levels had stagnated at 1959 levels, and everything else had remained the same, GDP in 1997 would be 82.6 percent of its current level in real terms.

For more information, please visit our website at [www.house.gov/jec](http://www.house.gov/jec).

###